

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Room 3416, 700 West Capitol Avenue
Little Rock, Arkansas 72201

AR NOTICE LP-81

For: All FSA County Offices

Measured Quantities Versus Delivered Quantities for Loan Repayments

Approved by: State Executive Director



1 Overview

A Purpose

During the recent Price Support Training Meetings there were concerns expressed on how to handle a repayment on a measured farm stored loan when Block 32 was initialed by the producer, and marked YES on the CCC-677-1. The situation has been researched and guidance is being provided to County Offices in this notice.

2 County Office Action

A County Office Action

If a producer requested a measurement service, and initialed and marked YES on the CCC-677-1 for a farm stored loan, then the measured quantity will be used for final production evidence. If a CCC-681-1 is **not** applicable, delivery evidence does **not** override the producer's decision to use the measurement as final production evidence. However, if the producer delivers grain/rice under a CCC-681-1 and the **delivery evidence** indicates the producer is short (but within tolerance) the producer can repay the delivered quantity at the CCC determined value – but the quantity short must be repaid at principal plus interest. Because the producer was within tolerance, no further action is necessary. If the producer delivers under a CCC-681-1 and the quantity delivered is not within tolerance, the producer has committed a violation and the COC must determine good faith or not good faith. At this point the violation policies should be followed in 8-LP, which also would require the producer to repay the violation quantity at principal plus interest, including liquidated damages as provided in 8-LP.

To summarize, the measurement service is final production evidence; however, if the delivery evidence (under CCC-681-1 provisions) does not support the measured quantity, the producer is required to repay the shortage at principal plus interest.

This answer has the concurrence of the National Price Support Division in Washington DC.

Disposal Date

May 31, 2004

08-18-03

Distribution

All County Offices